

RESERVES POLICY

Policy created: 28 Sep 2025

Review date: Aug 2026

Policy aims

To provide guidance to the Trustees on the level of financial resilience available to the trust from the available funds. Which funds are available and those that must be restricted to specific use. Who has authority to make decisions when the Reserves policy indicates that such decisions are necessary.

Reserves

Reserves are:

- That part of the Trusts unrestricted funds that are freely available to spend on any of the charity's purposes.

This does not include:

- Restricted funds: Money given for a specific, predetermined purpose by a donor
- Designated funds: Unrestricted funds that the trustees have set aside for a specific future project or purpose. For Artists Attic Trust the first £9,000 of unrestricted income is designated to meet utility bills.
- Fixed assets: Such as buildings or equipment, which are not readily available to be converted into cash

Reason for maintaining Reserves

Assuming that sufficient income is generated to meet expected expenditure levels then sufficient additional funds should be available to maintain the minimum standard of service, i.e. free public access for a specified period (the Target Level). This reserve sum might also protect against unexpected expenses..

The trustees may also decide to put surplus income aside as Designated Funds for future planned projects.

Target Level for Reserves

When sufficient unrestricted funds become available then the target level for Reserves shall be three months operating costs excluding grant funded projects.

Expenditure of Reserves

The Treasurer shall monitor the finances of the trust and advise all trustees when the Target Level is reached. The decision to spend Reserves shall be taken by all three trustees together with whatever action is required to return the Trust to financial stability.

Date	Reason for amendment	Approved
28 Sep 2025	Issued	By trustees 28 Sep 2025